Health and long-term care data needs: the Ageing Report and the European Semester

Social Protection Working Group
Luxembourg, 9-10 April 2014

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Sustainability of Public Finances
DG Economic and Financial Affairs
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The EPC-EC Ageing Report

- 2006, 2009 and 2012: public expenditure projections
  - health care
  - long-term care
  - pensions
- Project expenditure until 2060
- Departing point: population projections and ageing. Impact on expenditure?
- Consider other drivers of expenditure
Data needs

• Need data on many things!
  • Population by age and gender
    • Eurostat population data
  • Data on overall public expenditure on health care
    • SHA data; when not available ESSPROS
  • Data on overall public expenditure on long-term care
    • SHA data; when not available ESSPROS data from Eurostat
    • In-kind and cash benefits – for cash use ESSPROS data from Eurostat
  • Data on overall public expenditure on pensions
Data needs

- Data on health status
  - Life expectancy from Eurostat
  - Dependency rates = severe disability rates as in EU-SILC from Eurostat

- Data on age-gender specific expenditure profiles
  - Per capita for healthcare – national data
  - Per user for long-term care – national data

- Data on users of long-term care – national data
  - Separated in institutional and home care
Data needs

• Data to run specific scenarios:
  • Health care:
    – Wages, capital, pharmaceutical, appliances, administration
  • LTC:
    – Expenditure on Institutional and home care,
    – Number of users of institutional and home care
  • Pensions:
    – Used for comparison with national data.
Data sources: Expenditure Classification Systems for public expenditure on health care and LTC

System of Health Accounts – SHA
• financial flows related to health care / describe the health care system from an expenditure perspective
• expenditure along core functions of care and related functions of care, financing schemes and providers
• But not all Member States have SHA – so we use ESSPROS

ESSPROS:
• risks and needs for social protection
• expenditure along social protection schemes/benefits
Public expenditure on health care – ESSPROS

Sum of

- "Inpatient" and "Outpatient" in the "Sickness/health care"
- "Other benefits in kind" in the Family/children function
- "Rehabilitation of alcohol and drug abusers" in the social exclusion n.e.c function
- Plus Capital formation in health
### Definition of public expenditure on LTC - ESSPROS

<table>
<thead>
<tr>
<th>Function</th>
<th>Sub-category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sickness/Health care</td>
<td>Sub-category: Other benefits in kind</td>
</tr>
<tr>
<td>2. Disability</td>
<td>Sub-category: Accommodation</td>
</tr>
<tr>
<td></td>
<td>Sub-category: Rehabilitation</td>
</tr>
<tr>
<td></td>
<td>Sub-category: Home help (assistance daily tasks)</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>3. Old age</td>
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### Problems:
- Cannot separate LTC(health) from health care
Public expenditure on LTC for SHA countries but missing data for LTC (social) or HC.R.6.1

- Use ESSPROS
- Avoid any possible duplication of data between HC.3 and ESSPROS
  - Some ad-hoc calculations deducting HC.3 from ESSPROS aggregate for LTC spending
- Same year of SHA and ESSPROS
Public expenditure on LTC – cash benefits
Use ESSPROS

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<td>2. Disability</td>
<td>Sub-category: Periodic care allowance</td>
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<tr>
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<td>Sub-category: Periodic economic integration of the handicapped</td>
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<tr>
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Public expenditure on LTC – home care and institutional care

For SHA and HC.3 use sub-categories of HC.3

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| **HC.3** | Long-term care (health) – *previously* "Long-term nursing care"
|   | HC.3.1 Inpatient long-term care (health) - *previously* "inpatient long-term nursing care" – institutional care
|   | HC.3.2 Day long-term care (health) - *previously* "daycases of long-term nursing care" – institutional care
|   | HC.3.3 Outpatient long-term care (health) – new *previously part of HC.3 – institutional care*
|   | HC.3.4 Home-based long-term care (health) - *previously* "Long-term nursing care: home care" – home care
Public expenditure on LTC – home care and institutional care

For ESSPROS and for HC.R.6 use ESSPROS classification

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Based on description in manual but perhaps not fully accurate…
Data problems encountered

- ESSPROS
  - not fully comparable and no full / accurate linkage between SHA and ESSPROS categories
  - No data for certain categories if do not use SHA:
    - e.g. pharmaceutical expenditure
  - No data on capital and wages
    - use additional sources like OECD health data, COFOG or EUKLEMS
Data problems encountered (continued)

- Cannot fully disentangle health care from LTC
- LTC categories for in-kind and cash are defined based on reading of manual
  - Difficult to agree spending categories with Member States
  - Deserve further analysis
- Definition of home care and institutional care based on reading of manual
  - Deserve further analysis
- Ideally work on an ESSPROS definition of health care and LTC close to SHA? 😊
Data problems encountered (continued)

- Number of people receiving long-term care in a) institutions and b) at home, by sex and single age or five-year cohorts
  - From? National data so far…
- Number of recipients of LTC cash benefits, by sex and single age or five-year cohorts
  - From? National data so far…
Data problems encountered

• ESSPROS Pensions
  • Limited information on beneficiaries, so, at present, we only use it for comparison with national sources.
  • Welcome additional information on
    • new/old beneficiary status, age, scheme, earnings-related and non-earnings related,
  • Greater comparability and better projections of pension expenditure.
European Semester

- Supported desks in analysis of public finances in HC and LTC
  - Set of commonly used indicators on expenditure but also on areas of provision and health status
    - Pharmaceuticals
    - Hospitals: beds, ALOS
    - Ambulatory: staff and staff mix
    - Prevention and Promotion
    - Spending on administration
    - Health status
European Semester

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DG ECFIN supports better data collection

- Through implementation of SHA 2.0
- Through ESSPROSS improvements
- Through implementation regulation

- Thank you!